

# NASS

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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Wheat.** Winter wheat seeded area for 1999 is expected to total 43.4 million acres, down 7% from 1998. This will be the lowest planted acreage since 1972. Class breakdowns are: Hard red winter, 30.9 million acres; Soft Red Winter, 9.0 million acres, and White Winter, 3.5 million acres. December 1, 1998, stocks of all wheat totaled 1.89 billion bushels, up 17% from a year ago and the largest December inventory since 1990. The market year average price for the 1998/99 crop is projected between \$2.65 and \$2.75 per bushel compared with \$3.38 for the 1997 crop.

♦**Corn.** The 1998 corn for grain production was estimated at 9.76 billion bushels, up 6% from the 1997 crop. The 1998 production ranks second behind the 10.1 billion bushels produced in 1994. Corn stocks in all positions on December 1, 1998 totaled 8.05 billion bushels, up 11% from a year earlier. A market year average price between \$1.80 and \$2.10 a bushel is expected compared with \$2.43 for the 1997 crop. World production is expected to be 4% above last year. Global 1998/99 ending stocks are expected to be 13% above the previous year.

♦**Soybeans.** The 1998 soybean crop is estimated at a record high 2.76 billion bushels, up 3% from 1997. Soybeans stored in all positions on December 1, 1998, totaled 2.19 billion bushels, up 9% from last year. The market year average price is projected between \$5.10 and \$5.60 per bushel compared with \$6.47 for the 1997 crop. World 1998/99 oilseed production is projected at a record 289 million metric tons, 4.2 million tons above last year.

♦**Cotton.** U.S. 1998 all cotton production is forecasted at 13.8 million bales, down 27% from 1997. All cotton ginnings totaled 13.1 million running bales prior to January 1, 1999, compared with 17.6 million running bales ginned to the same date last year. Estimated world ending stocks are down 1% from a year earlier.

♦**Rice.** U.S. rice production totaled 188 million cwt during 1998, up 3% from 1997. The market year average price is expected to average between \$8.25 and \$8.75 per cwt compared to \$9.64 per cwt for the 1997/98 crop.

♦**Other Crops. Grain Sorghum** was estimated at 520 million bushels, down 18% from 1997. The **peanut crop** was 3.93 billion pounds, up 11% from last year, **tobacco** down 14%, **sugarbeets** up 9%, and **sugarcane** up 6%.

♦**Cattle.** January 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 10.63 million head, down 5% from a year earlier. Placements were down 4% from the previous year. Marketings of fed cattle were 4% higher than 1997. At mid-January, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$61 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$71 per cwt in mid-January, up slightly from mid-December.

♦**Hogs.** Hog slaughter during recent weeks has been running about 3% above a year ago. Prices at mid-January (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$31 per cwt, up about \$21 from mid-December. The December Hogs and Pigs report indicated supplies would be declining. The Dec-Feb sow farrowing intentions were 1% below a year earlier and Mar-May intentions were down 7%.

♦**Other Livestock.** December **milk production** was up 3.0% from the previous year. Production per cow increased 2.8%, however, the number of cows was almost unchanged from December 1997. The December **Basic Formula Price (BFP)** was a record \$17.34 per cwt, up 50 cents from November. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) increased 0.5 cent for the first week of January but decreased 6.3 cents for the second week. Cheese prices have also fallen sharply during the last week. This suggests that the January BFP will decrease. During November, total **cheese** production was 6.4% above the previous year, **butter** production was down 2.1% and **nonfat dry milk** production was down 7.7%. **Sheep slaughter** for December totaled 355 thousand head up 2% from last year's number. The average live weight was 132 pounds, down 4 pounds from December a year ago. U.S. **egg production** for the first quarter of 1999 is expected to be up 2 percent from a year ago. Wholesale market **egg prices** for the first quarter of 1999 are expected to average 74-77 cents per dozen, compared

with 79.0 cents a year ago. Second quarter 1999 market egg prices (Grade A large, New York) are expected to average 63-67 cents per dozen, compared with 66.5 cents a year ago. For the week ending January 16, cumulative **broiler placements** for 1999 in the 15 selected states were 286 million, up 5 percent from the same period a year earlier. The wholesale 12 city average price for whole broilers for the first quarter of 1999 is expected to be 57-59 cents, compared to 56.4 cents for the first quarter of last year. Second quarter 1999 broiler prices are expected to average 57-61 cents per pound, compared with the 61.0 cents for a year earlier. Cumulative **turkey poult placements** for the 1999 marketing year were 6 percent less than the same period a year ago. Placements in December were 2 percent less than last December. Prices (8-16 lb hens, Eastern Region) for the first quarter of 1999 are expected to be in the 55-57 cent range compared with 55.1 cents for the first quarter last year. Turkey prices for the second quarter of 1999 are expected to average 58-62 cents per pound, compared with the 59.1 cents average for the second quarter of 1998. **Supplies in refrigerated warehouses** the end of December compared with a year earlier were: chicken up 17%, turkeys down 26%, pork up 46%, beef down 15%, cheese up 8%, and frozen orange juice up 17%.

♦**Trade.** January U.S. **trade projections** for rice improved while 1998/99 export prospects for wheat and soybeans declined, compared with last month. Corn, cotton, beef, pork, broilers, and turkeys were unchanged from December. January projections for the volume of exports for the 1998/99 marketing year compared to 1997/98 are: **wheat** up 6%; **corn** up 13%; **rice** up 2%; **soybeans** down 5%; **soybean meal** down 12%; **soybean oil** down 12%; and **cotton** down 43%. January projections for the volume of meat exports in calendar 1999 compared to 1998 are: **beef** up 8%; **pork** up 10%; **broilers** down 3%; and **turkeys** up slightly. The U.S. **trade** deficit for goods and services increased to \$15.5 billion in November, from a revised \$13.6 billion October. The U.S. **agricultural trade** surplus was \$1.759 billion in November, compared with \$1.740 billion in October.

♦**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, was up 0.1% in December and has increased 1.6% over the last 12 months. The **PPI** increased 0.4% in December. This followed a decrease of 0.2% in November. For the 12-month period ending in December, the PPI decreased 0.1%. The December **prime rate**, averaging 7.75%, was down from 7.89% in November. Compared to a year earlier, **feed** prices in December were down 20%; **feeder livestock and poultry** prices down 11%; **fertilizer** down 8%; **ag chemicals** up 1%; **farm machinery** up 2%; **seeds** up 2%; and **fuels** down 25%.

♦**World Weather and Crop Developments** (January 10-16). Unseasonably mild weather continued to provide favorable overwintering conditions for winter grains in the **Former Soviet Union**. Unseasonably mild weather also continued in **Europe**, keeping most winter grain areas snow-free. Widespread showers improved growing conditions for winter grains in **Northwest Africa**. Warm, dry weather across New South Wales favored sorghum and cotton development in **Australia**. In **South Africa**, mostly light showers swept across the corn belt as heavy rain covered coastal sugarcane areas. Unseasonably heavy showers caused flooding and possible crop damage in the eastern **Philippines**. Seasonably cold weather kept winter wheat dormant across the **North China Plain**, while rain favored winter grains and oilseeds across **southern China**. Rain boosted soil moisture for vegetative soybeans in Rio Grande do Sul, **Brazil**, but more rain is still needed. In the U.S. seasonally mild weather remained entrenched over the Rocky Mountains and extended eastward into the Great Plains and across the Southern U.S. Despite the moderate temperatures, growth of small grains was limited in the southern Plains due to excessive dryness. In California, small grain development was hindered by a combination of dry soils and cool, cloudy weather. The dry weather aided vegetable harvest throughout the State. Citrus growers in the San Joaquin Valley delayed widespread picking while evaluating freeze damage, but picking was active in southern groves. In Florida, warm weather promoted development of citrus bloom buds and open bloom flowers and aided vegetables growth. The eastern U.S. received mixed precipitation, including rain in the southern Appalachians, freezing rain along the mid-Atlantic Coast, and snow in the Northeast. A high pressure ridge over the Pacific Northwest weakened, allowing storms to return with heavy rains along coastal areas and snow in the interior mountain areas. The Corn Belt remained cold and dry, especially around the Great Lakes. Parts of the upper Mississippi Valley and northern Plains received a light dusting of snow.

♦**Other News.** U.S. **feed grain production** for 1998 is estimated at 271.2 million metric tons, up 4 percent from the year before and the second highest on record. The farm value to retail price percent for **pork** fell to 10% for December compared with and average of 38% for 1996 and 35% for 1997. USDA announced a **hog producer payment program** for primarily small producers. Payments will be made from Feb. 1 to Feb. 12, 1999. Local Farm Service Agency Offices should be contacted for more information. The USDA **pork production forecast** for 1999 was lowered 3% due to lower farrowing intentions indicated by the Dec. 29 Hogs and Pigs report. The production forecast for 1999 is now 1% below 1998. Pork production for 1998 was raised slightly and is now estimated at 10% above 1997. The **number of U.S. farms** for 1997 was revised up 6 percent for 1997 to 2.19 million based largely on the 1997 Census of Agriculture. Changes in the farm definition since the 1992 census was the primary reason for the increase. Farms with annual sales of less than \$10,000 were revised up 16%, farms with sales of \$10,000 to \$100,000 were revised down 5%, and larger farms, those with sales of over \$100,000, were revised up 1%. USDA's **Agricultural Outlook Forum** for 1999 takes place Feb. 22 and 23. Call 1-800-999-6779 for more information or to reserve a copy of the printed proceedings.

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